

January 12, 1976

SENATOR MARESH: Yes.

PRESIDENT: Alright. Mr. Clerk, read the bill.

CLERK: Read title to LB 546. There are no committee amendments, Mr. President.

PRESIDENT: Senator Maresh.

SENATOR MARESH: Mr. President, this bill, 546, was taken by the Committee after it was explained to us by Senator Mahoney. It voids certain covenants that are presently allowed. We were told at the hearing that it causes problems for people that take these jobs. They get their expertise and they build up a business and a territory, then if there's a disagreement with the employer they are fired. A lot of times they are not allowed to have this kind of position in the state. It requires that they move out of the state, which is quite a handicap for certain people. One person that testified, it broke up his home and caused a lot of complications. We felt that the bill should be advanced and discussed here on the floor. I think Senator Mahoney has some testimony to offer for this bill.

PRESIDENT: Senator Frank Lewis.

SENATOR F. LEWIS: Mr. Chairman, I rise to support the action of the Labor Committee. I rise to support LB 546. In essence this bill is.... The law is currently constituted as a law to prohibit people from earning a livelihood. It's amazing to me, in a time of high unemployment, in a time of constant criticism of unemployment compensation, in a time of constant criticism of people on welfare, that there would not be unanimous support for a bill that would make it possible to see that each and every person that has a skill can apply that skill within his own community.

The covenant to compete is a monopolistic approach to business. The Committee has agreed, and the bill agrees, if we're talking about one individual selling a business to another individual he agrees not to engage in that kind of job for a set period of time, that's fine. A partnership. The statutes, as constituted now, provide that a person can be a salesman, have a particular skill, a particular base of knowledge in an area, and he can be forced to sign a contract that would preclude him from having that kind of an employment, not only within his community, but within a 50 or 60 mile radius. That isn't, depending on whether or not he voluntarily quits, it doesn't depend on anything else except he cannot pursue that livelihood. The case made by those in opposition to the bill was that they trained them. Let me tell you that all of us are trained at some point in time. If the end result of this was carried out that meant that those that had been trained in any area would have to sign an agreement that they couldn't pursue their job. I am amazed, I was amazed that those that testified against the bill, those people that have been the paragons of virtue in pushing for the Christian work ethic, those that have suggested that everybody ought to work, and I agree with